

BASIC HEALTH

Time Sensitive Material



State of Washington
Health Care Authority

June 21, 2010

STATE OF WASHINGTON
HEALTH CARE AUTHORITY
REQUEST FOR RENEWALS

Project Title: Basic Health 2011 Request for Renewals

Expected Time Period
For Contract Amendment: January 1, 2011, to December 31, 2011

Renewal Bid Due Date: All Bids must arrive at the HCA by 3 p.m. Pacific Daylight Time (PDT), as specified in *Submission of Renewal Bid*, on or before July 19, 2010.

Eligibility: This is a negotiated renewal of the 2010 Basic Health program health plan contracts.

2011 RFR SCHEDULE	
EVENT	DATES & TIME
Pre-Renewal Conference	June 17, 2010, 1:30 p.m. PDT
Issue Request for Renewals	June 21, 2010
Letter of Intent to Renew Due	June 25, 2010 by 3:00 p.m. PDT at HCA
Bidders Questions due to HCA	July 1, 2010 by 3:00 p.m. PDT at HCA
HCA Response to Bidders' Questions	July 13, 2010
Due Date for Renewal Bids	July 19, 2010 by 3:00 p.m. PDT at HCA
Confirmation of Service Areas	With Bid Submission - July 19, 2010
Final Provider Network Due	With Bid Submission - July 19, 2010
Conduct Evaluations	Begin July 20, 2010
Announce Renewal Awards	August 9, 2010 (estimate)
Open Enrollment	October 12 through November 5, 2010

HCA reserves the right to amend the above Schedule.

NOTE: This Request for Renewals is available at: www.hca.wa.gov/rfr/bh11

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GENERAL INFORMATION

1. DEFINITIONS

BH: The Washington State Health Care Authority's Basic Health Plan

Bid: A formal "offer" made in reply to this solicitation for renewals

Bidder: A 2010 Basic Health (BH) CONTRACTOR submitting a formal offer to renew

Contractor: 2010 BH CONTRACTOR

HCA: The Washington State Health Care Authority

Successful Bidder: 2010 CONTRACTOR(s) who is awarded a formal written contract amendment renewing its Basic Health contract with the HCA for the 2011 plan year.

2. INTRODUCTION

The HCA is initiating this Request for Renewals (RFR) to solicit responses from current 2010 Basic Health CONTRACTORS interested in continuing to provide services in 2011.

This *Request for Renewals* also incorporates the following documents:

- (1) *2011 Basic Health Rate Instructions;*
- (2) *2011 Basic Health Rate Forms;*
- (3) *Bidders Questionnaire; and*
- (4) *Certifications and Assurances.*

3. BACKGROUND

As Washington's economy continues to recover from the most severe recession in decades, the number of uninsured people in the State is at an all-time high, approaching one million people. Each day, more State residents lose their health care coverage due to the loss of a job or because they can no longer afford coverage on their own.

Due to budgetary constraints, beginning in January 2009, funding for enrollment in the Basic Health (BH) Plan was significantly reduced and in May 2009 a Wait List was established. Enrollment was reduced from nearly 107,000 in January 2009 to approximately 65,000 through a combination of increased member premiums, more frequent recertification of members' eligibility, and a statutory change that made those who receive state medical assistance through the Department of Social and Health Services (DSHS) no longer eligible for BH.

This year the State has renewed its commitment to provide access to quality, affordable health care to approximately 65,000 enrollees in 2011, with the possibility of an additional 4,000 enrollees pending the potential receipt of federal funding through a Medicaid Waiver.

To meet this need, the Health Care Authority (HCA) issues this Request for Renewal (RFR) for the Subsidized BH Plan for calendar year 2011.

The HCA does not intend to significantly revise the eligibility requirements, benefit package, or member cost sharing for 2011. However, there are some changes that will be incorporated due to State law as well as the passage of national health reform as follows, beginning January 2, 2011:

- Pre-existing conditions limitations and waiting periods for children: Children up to age 19 will no longer be subject to a pre-existing conditions limitation or waiting periods.
- Dependents up to age 26: For the 2011 plan year, Basic Health will allow dependents to remain on their parent's account up to age 26 at the child rate, regardless of their student or marital status. When these enrolled dependents reach age 26, they will be offered coverage on their own account, consistent with current rule.
- The Basic Health benefit package will be modified to ensure consistency with [RCW 70.47.200](#), related to mental health parity.

The HCA reserves the right to amend this RFR, the BH eligibility criteria, or the benefit package based on the publication of applicable federal rule or upon federal approval of Waiver by the Center for Medicare and Medicaid Services (CMS.)

In addition, beginning in January 2011, the HCA will simplify the reporting requirements and timelines related to Performance Standards and Denials, Appeals, and Grievances (DAG) as outlined in the sample Contract and Exhibits attached to this RFR. These modifications will result in lower administrative costs for the HCA and its CONTRACTORS while providing the data necessary for oversight and improved outcomes.

The HCA is committed to working with our CONTRACTORS to continue to improve our members' access to high quality, affordable health care. Governor Gregoire has stressed the multiple opportunities for improving the health care of Washingtonians through investments in evidence-based medicine, disease management, prevention and wellness programs, and the efficient use of information technology.

The HCA's purchasing objectives for 2011 include:

- Support authorized BH enrollment within budget limitations for 2011.
- Improve access to high quality, affordable health care by attempting to include at least two successful bidders at the benchmark rate in every county.

The HCA has published benchmark rates for 2011, with the intent to contract with at least two successful bidders in most counties throughout Washington State. According to BH statute, "*The administrator shall endeavor to assure that covered Basic Health care services are available to any enrollee of the plan from among a selection of two or more participating managed health care systems.*" (RCW 70.47.060(9))

Subscriber Demographics and *2011 Basic Health Rate Instructions* outline details about the current Basic Health subsidized membership.

4. DESCRIPTION OF SERVICES

Successful Bidders selected through this RFR will provide services as described in the 2011 BH non-Medicaid Contract.

5. RFR COORDINATOR

The RFR Coordinator is the sole point of contact for the HCA for this solicitation. Communications directed to parties other than the RFR Coordinator may result in disqualification of the Bidder. The Coordinator can be reached as follows:

RFR COORDINATOR
HEALTH CARE AUTHORITY
PO BOX 42702
OLYMPIA, WASHINGTON 98504-2702
E-mail: contracts@hca.wa.gov

6. RFR MODIFICATION

The HCA reserves the right to modify the *2011 RFR Schedule* or issue amendments to the renewal solicitation at any time. The HCA also reserves the right to cancel or reissue the renewal solicitation in whole or in part, and for any reason, at the sole discretion of the HCA at any time prior to execution of an amendment to the contract.

Specific questions concerning the solicitation shall be submitted during the question and answer period through the HCA e-mail site at the e-mail address indicated in item 5 of this RFR.

Oral responses to any questions do not amend, alter, or modify this RFR. Questions will be researched and the official answer published on the designated HCA web site, and made available to all 2010 BH CONTRACTORS. This will assure accurate and consistent responses. Only the official, published answers will be considered an addendum to this RFR.

7. MOST FAVORABLE TERMS

The HCA reserves the right to make an award without further discussion of the Bid submitted. Therefore, the Bid should be initially submitted on the most favorable terms the Bidder can offer. (NOTE: The RFR Coordinator may contact the Bidder for clarification of a portion of the Bid.)

This RFR may become part of the Amendment resulting from this renewal solicitation. Contract negotiation may provide for the incorporation of some or all parts of the Bid. It is understood that the Bid will become a part of the official file on this matter.

Each Apparent Successful Bidder will be expected to enter into a contract amendment with the HCA that is substantially the same as the 2010 contract.

All Basic Health CONTRACTORS who renew contracts for the 2011 plan year will be required to honor the Basic Health *Plus* and Maternity Benefits Program contract for calendar year 2011.

8. PERIOD OF PERFORMANCE

The period of performance of any contract amendment resulting from this renewal solicitation is scheduled to begin on January 1, 2011, and end on December 31, 2011 (the “2011 plan year”). The HCA reserves the right to renegotiate annual renewals of this contract.

9. FUNDING

The Washington State budget for the 2010-2011 State fiscal year provides funding for an average subsidized BH membership of approximately 65,000 enrollees in the 2011 plan year.

10. INSURANCE COMMISSIONER (OIC) REGISTERED NAME

Successful Bidders registered with the Insurance Commissioner (OIC) will be required to conduct all HCA contract-related business using the name registered with the OIC as of August 1, 2010, unless the HCA has pre-authorized an exception in writing. This includes all materials used with enrollees including, but not limited to, identification cards and booklets. Any other business name, such as a “Doing Business As” name, used in addition to the OIC registered name, shall not be more prominent than the registered name on printed materials.

11. FINAL SELECTION

The HCA reserves the right, at its sole discretion, to reject any or all Bids without penalty and not to issue a contract amendment as a result of this solicitation.

The HCA reserves the right to refrain from contracting with any Bidder. Issuance of this solicitation does not compel the HCA to purchase. The final selection, if any, will be of those Bids that, in the opinion of the HCA, best meet the requirements set forth in this renewal solicitation and are in the best interest of the HCA and the State of Washington.

12. SINGLE RESPONSE

A single Bid (i.e., receipt by the HCA of a Bid from only one Bidder) to this solicitation in any one county may be deemed a “failure of competition” in that county and, at the sole option of the HCA, the solicitation for that county may be canceled.

13. FAILURE TO COMPLY

Failure to comply with, or provide all information requested in any part of the solicitation may result in rejection of the Bid as non-responsive.

14. ERRORS AND CLARIFICATIONS

The HCA will not be liable for any errors in Bids. The HCA reserves the right, at its sole discretion, to allow corrections or amendments due to minor administrative irregularities contained in any Bid.

15. AUTHORITY TO BIND THE HEALTH CARE AUTHORITY

The Administrator of the HCA, or the Administrator’s designee, is the only individual who may legally commit the HCA to the expenditures of funds for a contract amendment resulting from this solicitation. No cost chargeable to the proposed contract amendment

may be incurred before receipt of either a fully executed contract amendment, or specific, written authorization from the Administrator.

16. RENEWAL ASSESSMENT

The assessment process is designed to renew existing contracts with those Bidders who, at the sole discretion of the HCA, offer the best value to the BH program. HCA considers best value to the BH program as demonstrated by the following criteria: access, quality, and cost.

17. ASSESSMENT PROCEDURES

The Assessments will be performed under the direction of the RFR Coordinator and other designated HCA staff or contractors who will determine which Bids are most responsive to the requirements stated in this RFR. During the assessment period, reviewers will not discuss any aspect of this RFR with bidders.

Reviewers will consider how well HCA's needs will be met based on Bidder's response to each question in the *Bidder's Questionnaire*. Responses must be clear and complete so that the reviewers can adequately understand all aspects of the Bid. In addition to responses to the *Bidder's Questionnaire*, the HCA will also assess data submitted by Bidders in compliance with Section 7, *Data Reporting*, of the Contract as amended.

18. SELECTION OF APPARENT SUCCESSFUL BIDDER(s)

The review team will recommend to the HCA management the selection of Apparent Successful Bidder(s).

If the HCA is unable to secure an Apparent Successful Bidder in any county or counties, the HCA reserves the right to implement a self-funded or self-insured method for that county or counties or to enter into a mutually acceptable arrangement with any Managed Health Care System permitted under law governing the BH program, chapter 70.47 RCW.

19. LETTER OF INTENT TO RENEW

A letter indicating a Bidder's intent to renew must be received by the RFR Coordinator by 3:00 pm PDT, June 25, 2010. Bidder, at its discretion, may deliver the letter as an original document or submit it via electronic mail at the e-mail address indicated in item 5 of this RFR.

Failure to submit a *Letter of Intent to Renew* by the deadline specified will result in the rejection of the Bid.

20. SUBMISSION OF RENEWAL BID

All required documents must be submitted electronically to the RFR Coordinator at the e-mail address indicated in item 5 of this RFR on or before the Bid Renewal Due Date/Time as outlined in the *2011 RFR Schedule* on page 1 of this RFR. In addition, one original signed Certifications and Assurances must be received no later than 3:00 p.m. PDT on the Bid Renewal Due Date. Certifications and Assurances must have an original signature on the document. Late Bids will not be accepted and will automatically be disqualified from further consideration.

All Bids and accompanying documentation that arrive before the Due Date/Time and are not officially withdrawn by the Bidder before the Due Date/Time will become the property of the HCA and will not be returned.

21. COST OF PREPARING BIDS

The HCA is not liable for any costs incurred by Bidders in the preparation and presentation of Bids submitted in response to this solicitation.

22. BIDDER IDENTIFICATION

The Bidder's name must be cited at either the top or bottom of each page of the Bid.

23. COMPLETING THE BIDDER'S QUESTIONNAIRE

Bidders must respond to the renewal solicitation requirements by completing and returning to the HCA the *Bidder's Questionnaire*. Additional pages may be attached, if needed, to provide all required information. When attaching additional pages for explaining answers or describing experience:

- Restate the number and the short title of the requirement; and
- Write the response immediately after the short title.

Do not respond by referencing material presented elsewhere. The response provided immediately after the restatement of the requirement must stand on its own merits. Failure to respond to any portion of the *Bidder's Questionnaire* may result in rejection of the entire Bid as non-responsive.

24. PROPRIETARY INFORMATION AND PUBLIC DISCLOSURE

In order to protect the integrity of the contracting process, which is a vital state interest, Bids will not be available for public inspection and copying until after award and signing of the contract amendment.

Any information contained in the Bid that Bidder desires to claim as proprietary and exempt from disclosure (under the provisions of chapter 42.56 RCW and RCW 41.05.026) must be clearly designated. The page and the particular exception from disclosure upon which the Bidder is making the claim must be identified. Each page claimed to be exempt from disclosure must be clearly identified by the word "confidential" printed on the lower right-hand corner of the page. Marking the entire Bid as confidential will be neither accepted nor honored and may result in disclosure of the entire Bid. The Bidder must be reasonable in designating information as confidential. After the contract amendment is signed, the Bids will be deemed public records, as defined in chapter 42.56 RCW. Confidentiality is available only to the limited extent allowed in state law.

25. ATTACHMENTS

The following documents are incorporated into this RFR:

- Certifications and Assurances
- Bidder's Questionnaire
- Rate Instructions
- BH Demographics
- 2011 Sample Contract (including exhibits and attachments)

26. PROPOSAL CHECKLIST

This checklist is included as a courtesy to help Bidder submit a complete proposal. The Primary Contact Person listed in answer to Question 2 of the Bidder's Questionnaire must submit this checklist with Bid due on July 19, 2010.

Due on July 19, 2010, 3:00 pm PDT:

- ☐ Answers to Bidders' Questionnaire, numbers 1-5; electronic submission
- ☐ Signed Certifications and Assurances, original document
- ☐ Final Service Area Confirmation, (Bidder's Questionnaire number 4); electronic submission
- ☐ Proposal Checklist, completed; electronic submission